

FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C. 20554

OFFICE OF
MANAGING DIRECTOR

JAN 08 2003

Mr. Mike Benson
KWTY-FM
Box 91
Olancho, CA 93549

Re: Request for Waiver of FY 2002
Regulatory Fee
Fee Control No.: 00000RROG-03-004

Dear Mr. Benson:

This letter responds to your request for a waiver of the Fiscal Year (FY) 2002 regulatory fee in the amount of \$375 submitted with respect to FM station KWTY, Cartago, California.

You state that KWTY is licensed to a community of 50 persons and has a population of about 200 in its primary service area. You add that the station is operated primarily through the volunteer efforts of retired local residents, none of whom **are** paid. The station is located in a remote **part** of the state, you recite, and provides the only emergency and traveler information from that part of Inyo County. You assert that although station income has risen from previous years, it is still very small, and you anticipate being able to pay the regulatory fees within the next two or three years. You enclose a KWTY profit and loss summary for 2001, which shows total income of \$8,970, total expenses of \$10,907 and a net loss of \$1,837.

In establishing a regulatory fee program, the Commission recognized that in certain instances payment of a regulatory fee may impose **an** undue financial hardship upon a licensee. The Commission therefore decided to grant waivers or reductions of its regulatory fees in those instances where a "petitioner presents a compelling case of financial hardship." See Implementation of Section 9 of the Communications Act, 9 FCC Rcd 5333, 5346 (1994), recon. granted, 10 FCC Rcd 12759 (1995). In reviewing a showing of financial hardship, the Commission relies upon a licensee's cash flow, as opposed to the entity's profits, and considers whether the station lacks sufficient funds to pay the regulatory fee and maintain service to the public. Thus, even if a station loses money, any funds paid to principals, deductions for depreciation or similar items **are** considered funds available to pay the fees.

Mr. **Mike** Benson


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Our review of the financial documentation you submitted indicates that KWTY suffered a financial deficit in 2001 without regard to any deduction for depreciation and that no payments were made to any principal or officer of the station, which was largely staffed by volunteers. Therefore, **your** request for a waiver of the \$375 regulatory fee for FY 2002 **is** granted. This waiver, however, is limited to the FY 2002 regulatory fee. If KWTY continues to experience financial hardship, you may request waivers of the fees for succeeding years only if supported by appropriate documentation.

If you have any questions concerning this letter, please contact the Revenue and Receivable Operations Group at (202) 418-**1995**.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark A. Reger', with a stylized flourish at the end.

 Mark A. Reger
Chief Financial Officer

3-19
KWTY-FM
Box 91
Olancho, CA
93549

September 20, 2002

Federal Communications Commission
Office of Managing Director
445 12th Street, S W , Room 1-A625
Washington, D C 20554

RECEIVED & INSPECTED
SEP 26 2002
FCC - MAILROOM

attn: Regulatory Fee Waiver/Reduction Reduction

Dear Person:

KWTY-FM (ID: 41590) hereby requests that our 2002 regulatory fees be waived

KWTY is licensed to a community of 50 persons and has a population of about 200 in our primary service area. The station is operated primarily thru the volunteer efforts of retired local residents, none of which are paid.

KWTY is located in a remote part of the state and provides the only emergency and traveler information from this part of Inyo county

Although income has risen **form** previous years, expenses have increased also, and income **is** still very small. We anticipate that within the next two or three years to be able **to** pay the FCC fees.

Enclosed is a profit and loss summary

Sincerely,

Mike Benson

Mike Benson

RECEIVED OCT 3 2002